



County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA
Chief Executive Officer

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Third District

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June 10, 2010

To: Supervisor Gloria Molina, Chair
Supervisor Mark Ridley-Thomas
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: William T Fujioka
Chief Executive Officer

A handwritten signature in black ink, appearing to read "W. T. Fujioka", is written over the printed name of the Chief Executive Officer.

SACRAMENTO UPDATE

This memorandum contains an update on the State Budget, a report on the Budget Conference Committee and a list of the County-advocacy priorities, a pursuit of County position on legislation to repeal the sunset date for the Naloxone drug overdose prevention pilot project, and an update on a County-advocacy measure regarding South Coast Air Quality Management District permits.

State Budget

As the Budget Conference Committee begins work on the FY 2010-11 State Budget, there are three major proposals in consideration to address the State's \$19.1 billion budget shortfall. The proposals include the Governor's May Revision, Senate Democrats Budget plan, and the Assembly Speaker's California Jobs Budget proposal.

As previously reported, while the Governor's May Revision relies heavily on major program reductions and avoids new revenues, the Senate and Assembly plans reject most of the Governor's cuts and instead propose more tax revenue solutions for FY 2010-11. In addition, Senate President Pro Tempore Steinberg has indicated that he is interested in pursuing a Realignment proposal, which would transfer an estimated \$5.0 billion in program responsibilities from the State to counties. These proposals are in the early stages of development and details are not yet available.

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Based on a preliminary review, the Assembly and Senate plans include proposals which are positive first steps in moving towards a solution to produce a responsible State Budget that would maintain the County's safety net programs and vital services. This office and the Sacramento advocates will work with Administration officials, the Legislature, and statewide organizations to achieve solutions, such as a potential Realignment proposal which would avoid unacceptable and unsustainable program reductions in State support for critical County programs.

Budget Conference Committee

The Senate conferees include Chair Denise Ducheny, Bob Dutton, Bob Huff, Mark Leno, and Alan Lowenthal. The Assembly conferees are Vice-Chair Bob Blumenfield, Connie Conway, Felipe Fuentes, Jim Nielsen, and Nancy Skinner. On June 4, 2010, the Committee heard a presentation from the Legislative Analyst's Office on the current economic conditions, State revenues and spending, and an overview of the key budget proposals included in the Governor's May Revision and the Assembly and Senate Budget Plans. The Committee began taking formal actions on June 7, 2010, but it has held open most issues of interest to the County in the areas of Public Safety, Human Services, Health, and General Government.

This office and the Sacramento advocates are working closely with affected departments to advocate on the following County priorities:

- **Local Custody of Felony Offenders.** The Assembly and Senate Budget Committees adopted the Governor's May Revision proposal to achieve \$243.8 million in State General Fund savings by modifying sentencing practices, which would allow specified non-serious, non-violent, and non-sex offenders convicted with felony sentences of three years or less to serve in county jails. The Senate Budget Committee modified the Governor's proposal to restrict felony offenses to convictions for drug and property crimes, not crimes against persons. **This proposal would result a County loss of up to \$132.3 million.** The Sacramento advocates will continue to oppose the Governor's May Revision proposal.
- **CalWORKs Elimination.** The Assembly and Senate Budget Committees rejected the Governor's May Revision proposal to eliminate the CalWORKs Program. The Assembly Budget Committee restored funding through the Speaker's proposal to create the Jobs and Economic Security Fund. **The elimination of CalWORKs would result in an estimated County loss of \$488.6 million.** The Sacramento advocates will support the Senate Budget Committee action to reject the Governor's May Revision proposal.

- **Suspension of AB 3632 Program Mandate Payments.** The Assembly Budget Committee rejected the Governor's May Revision proposal to suspend AB 3632 mandate payments and restored \$52.0 million for the Program. The Senate Budget Committee reduced funding by \$1. **This proposal would result in an estimated County loss of \$43.7 million.** The Sacramento advocates will support the Senate Budget Committee action to reject the Governor's May Revision proposal.
- **Safety Net Care Pool and the South Los Angeles Preservation Fund.** The Assembly Budget Committee adopted the Governor's January Budget proposal to reduce funding for the Safety Net Care Pool and the South Los Angeles Preservation Fund by 10 percent. The Senate Budget Committee rejected the Governor's proposal. **This proposal would result in an estimated County loss of \$24.4 million.** The Sacramento advocates will support the Senate Budget Committee action to reject the Governor's May Revision proposal.
- **Medi-Cal Administration.** The Assembly rejected the Governor's May Revision proposal to achieve \$44.0 million in State General Fund savings by changing the methodology used to fund county Medi-Cal eligibility operations. The Senate Budget Committee reduced the State General Fund savings to \$22.0 million. **This proposal would result in an estimated County loss of \$13.5 million.** The Sacramento advocates will support the Assembly Budget Committee action to reject the Governor's May Revision proposal.

Pursuit of County Position on Legislation

AB 2145 (Ammiano), which as amended on May 28, 2010, would repeal the January 1, 2011 sunset date of the Naloxone drug overdose prevention pilot project and expand the provisions of the project statewide.

County-sponsored SB 767 (Chapter 477, Statutes of 2007) established a pilot project to protect any person from civil and criminal liability who in good faith administers an opioid antagonist, such as Naloxone, to someone who is believed to have experienced a drug overdose. Prior to this legislation, the use of Naloxone was primarily limited to use in hospitals and by paramedics. The pilot project, which is limited to seven counties: Alameda, Fresno, Humboldt, Los Angeles, Mendocino, San Francisco, and Santa Cruz, is set to expire on January 1, 2011.

The Department of Public Health (DPH) indicates that between June 2008 and 2009, 369 persons working in community-based agencies in Los Angeles County have been

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trained to administer Naloxone to treat clients who experience an opioid overdose. The Department reports that the pilot program has resulted in 39 successful overdose reversals and only one unsuccessful reversal. According to DPH, AB 2145 would continue to provide liability protection for health care workers and individuals who prescribe and administer Naloxone, and it would save lives of persons who experience unintentional drug overdoses.

The Department of Public Health and this office support AB 2145. Therefore, consistent with your Board's action of September 2006, which instructed the Sacramento advocates to seek legislation to protect all parties involved in a Naloxone distribution program from civil and criminal liability, **the Sacramento advocates will support AB 2145.**

AB 2145 is sponsored by the Harm Reduction Coalition and supported by the California's Public Defenders Association, City and County of San Francisco, County Alcohol and Drug Program Administrators Association of California, Desert AIDS Project, Drug Policy Alliance, and San Francisco AIDS Foundation. There is no registered opposition on file.

AB 2145 passed the Assembly Floor by a vote of 74 to 1 on June 2, 2010 and is currently in the Senate Rules Committee.

Status of County-Advocacy Legislation

County-supported SB 696 (Wright), which would authorize the South Coast Air Quality Management District (SCAQMD) to issue permits to essential public services and previously exempt businesses, notwithstanding the court decision in Natural Resources Defense Council v. SCAQMD, was amended on June 3, 2010. The amendments delete the prior version of the bill, and replace it with language to address child support payments. **Therefore, the Sacramento advocates will remove support for SB 696 and take no position on this measure.**

We will continue to keep you advised.

WTF:RA
MR:VE:sb

c: All Department Heads
Legislative Strategist